

## State of California

Franchise Tax Board-Legislative Services Bureau  
PO Box 1468  
Sacramento, CA 95812-1468

Telephone: (916)845-4326  
ATSS: 468-4326  
FAX: (916)845-5472

**Legislative Change No. 01-03**

Bill Number: AB 29x Author: Kehoe, et. Al. Chapter Number: 01-08

Laws Affecting Franchise Tax Board: Section 25433.5 of the Public Resources Code.

Date Filed with the Secretary of the State: April 12, 2001

**SUBJECT:** Exclusion/Grants or Loans for Construction & Retrofitting Buildings to be More Energy Efficient.

**Assembly Bill 29x (Kehoe, et. Al.), as enacted on April 12, 2001, among other things, created various programs to promote energy conservation and new energy systems, including tax-exempt grants. Specifically, AB 29x made the following change to California law that impacts the Franchise Tax Board:**

**Section 25433.5 is added to the Public Resources Code**

This act directs the State Energy Resources Conservation and Development Commission to administer a grant program for low-income individuals to be used for making buildings more energy efficient. The act provides that grants awarded to low-income individuals would be excluded from gross income for California income tax purposes.

Although Governor Davis signed AB 29x, he removed the funding for the grant program for low-income individuals for making buildings more energy efficient. Thus, there currently will be no grants awarded under the program. If, however, the program were later funded, any amounts received by individuals would be excluded from their gross income for California income tax purposes.

This act is effective April 12, 2001.

This act will not require any reports by the department to the Legislature.

Bureau Director

Brian Putler

Date

05/22/01